



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

January 8, 2001

Glen Williams
Cotter Corporation
P.O. Box 700
28151 DD Road
Nucla, Colorado 81424

Re: Approval of Replacement Reclamation Surety, Cotter Corporation, Papoose Mine, M/037/084, San Juan County, Utah

Dear Mr. Williams:

In September, 2000, we requested Cotter Corporation replace their reclamation surety bond issued by United Pacific Insurance Company because United Pacific's rating had dropped from a B++ (secure "very good") rating to a C (vulnerable "weak" rating). The School and Institutional Trust Lands Administration (SITLA) holds the reclamation surety for this project. On September 29, 2000 SITLA received a \$54,000 replacement surety issued by American Home Assurance Company #ESD-7787415. We then requested that Cotter Corporation replace their existing Reclamation Contract with a new Reclamation Contract to reflect the new surety company name and bond number information. The replacement Reclamation Contract was received on December 8, 2000.

On January 5, 2001, the Director of the Division of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety and Reclamation Contract for Cotter Corporation's Papoose mine. Enclosed please find copies of the fully signed and executed Reclamation Contract and a copy of the surety bond forms for your files.

We have also enclosed the original Reclamation Contract with effective date of October 13, 1995, along with a copy and accompanying riders of the United Pacific Insurance Company's bond #U247 55 86 for your disposal.

Thank you for your help in keeping the reclamation surety records updated. Please call me at (801) 538-5286 or Tony Gallegos at 538-5267 if you have any questions in this regard.

Sincerely,

D. Wayne Hedberg
Permit Supervisor
Minerals Regulatory Program

jb

Enclosures: #1 Copy of RC dated 1/5/2001
#2 Original RC dated 10/13/1995
cc: John Blake, SITLA w/Encl #1

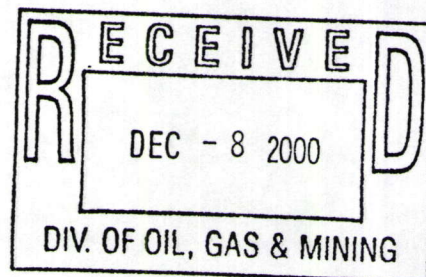
File Number M/037/084

Effective Date Jan 5, 2001

Other Agency File Number SITLA (ML 45609)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION of OIL, GAS and MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5291
Fax: (801) 359-3940

RECLAMATION CONTRACT
---ooOoo---



For the purpose of this RECLAMATION CONTRACT the terms below are defined as follows:

"NOTICE OF INTENTION" (NOI): (File No.) M-037-084
(Mineral Mined) Limestone

"MINE LOCATION":
(Name of Mine) Papoose
(Description) 30 miles SSE of Moab,
San Juan County, Utah

"DISTURBED AREA":
(Disturbed Acres) 20
(Legal Description) (refer to Attachment "A")

"OPERATOR":
(Company or Name) Cotter Corporation
(Address) P.O. Box 700
28151 DD Road
Nucla, CO 81424
(Phone) (970) 864-7347

"OPERATOR'S REGISTERED AGENT":

(Name)

(Address)

(Phone)

C.T. Corporation System

8th Floor

50 West Broadway

Salt Lake City, UT 84101

(801) 364-1228

"OPERATOR'S OFFICER(S)":

Richard Cherry, President

Rich Ziegler, Exec. Vice President

"SURETY":

(Form of Surety - Attachment B)

Surety Bond

"SURETY COMPANY":

(Name, Policy or Acct. No.)

American Home Assurance Company

"SURETY AMOUNT":

(Escalated Dollars)

\$54,000

"ESCALATION YEAR":

2000

"STATE":

State of Utah

"DIVISION":

Division of Oil, Gas and Mining

"BOARD":

Board of Oil, Gas and Mining

ATTACHMENTS:

A "DISTURBED AREA":

B "SURETY":

This Reclamation Contract (hereinafter referred to as "Contract") is entered into between Cotter Corporation the "Operator" and the Utah State Division of Oil, Gas and Mining ("Division").

WHEREAS, Operator desires to conduct mining operations under Notice of Intention (NOI) File No. M-037-084 which has been approved by the Utah State Division of Oil, Gas and Mining under the Utah Mined Land Reclamation Act, Sections 40-8-1 et seq., Utah Code Annotated, (1953, as amended) (hereinafter referred to as "Act") and implementing rules; and

WHEREAS, Operator is obligated to reclaim that area described as the Disturbed Area as set forth and in accordance with Operator's approved Reclamation Plan, and Operator is obligated to provide surety in form and amount approved by the Division, to assure reclamation of the Disturbed Area.

NOW, THEREFORE, the Division and the Operator agree as follows:

1. Operator agrees to conduct reclamation of the Disturbed Area in accordance with the Act and implementing regulations, the original Notice of Intention dated May 23, 1995, and the original Reclamation Plan dated May 23, 1995. The Notice of Intention as amended, and the Reclamation Plan, as amended, are incorporated by this reference and made a part hereof.
2. Concurrent with the execution hereof, Operator has provided surety to assure that reclamation is conducted, in form and amount acceptable to the Division. Such surety as evidenced by the Surety Contract is in the form of the surety attached hereto as Attachment B and made a part hereof. The Surety Contract shall remain in full force and effect according to its terms unless modified by the Division in writing. If the Surety Contract expressly provides for cancellation, then, within 60 days following the Division's receipt of notice that the Surety Company intends to cancel the Surety Contract, the Operator shall provide a replacement Surety Contract in a form and amount reasonably acceptable to the Division. If the Operator fails to provide an acceptable replacement Surety Contract, the Division may order the Operator to cease further mining activities and to begin immediate reclamation of the Disturbed Area.
3. Operator agrees to pay legally determined public liability and property damage claims resulting from mining to the extent provided in Section 40-8-7(1)(e) of the Act.
4. Operator agrees to perform all duties and fulfill all reclamation requirements applicable to the mine as required by the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
5. The Operator's liability under this Contract shall continue in full force and effect until the Division certifies that the Operator has reclaimed the Disturbed Area in accordance with the Act and implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended.
6. If reclamation of discrete sections of the Disturbed Area is completed to the satisfaction of the Division, and the Division finds that such sections are severable from the remainder of the Disturbed Area, Operator may request the Division to certify that Operator has reclaimed such discrete sections of the Disturbed Area in accordance with the Act and Implementing rules, the Notice of Intention, as amended and the Reclamation Plan, as amended. If the Division makes such certification, Operator may make request to the Division that the aggregate face amount of the Surety Contract provided pursuant to paragraph 2 be reduced to an amount necessary to provide for completion of the remaining reclamation. The Division shall hear Operator's

request for such reduction in accordance with the Board's Procedural Rules concerning requests for Agency Action.

7. Operator agrees to indemnify and hold harmless the State, Board and the Division from any claim, demand, liability, cost, charge, suit, or obligation of whatsoever nature arising from the failure of Operator or Operator's agents and employees, or contractors to comply with this Contract.
8. Operator may, at any time, submit a request to the Division to substitute surety. The Division may approve such substitution if the substitute surety meets the requirements of the Act and the implementing rules.
9. This Contract shall be governed and construed in accordance with the laws of the State of Utah.
10. If Operator shall default in the performance of its obligations hereunder, Operator agrees to pay all costs and expenses, including reasonable attorney's fees and costs incurred by the Division and/or the Board in the enforcement of this Contract.
11. Any breach that the Division finds to be material of the provisions of this Contract by Operator may, at the discretion of the Division, result in an order to cease mining operations. After opportunity for notice and hearing, the Board of Oil, Gas and Mining may enter an order to revoke the Notice of Intention, order reclamation, or order forfeiture of the Surety Contract, or take such other action as is authorized by law.
12. In the event of forfeiture of the Surety Contract, Operator shall be liable for any additional costs in excess of the surety amount which are required to comply with this Contract. Any excess monies resulting from forfeiture of the Surety Contract, upon completion of reclamation and compliance with this Contract, shall be returned to the rightful claimant.
13. This Contract including the Notice of Intention, as amended and the Reclamation Plan, as amended, represents the entire agreement of the parties involved, and any modification must be approved in writing by the parties involved.
14. Each signatory below represents that he/she is authorized to execute this Contract on behalf of the named party.

OPERATOR:

Cotter Corporation
Operator Name

By Rich D. Ziegler
Authorized Officer (Typed or Printed)

Executive Vice President
Authorized Officer - Position

Rich D. Ziegler
Officer's Signature

12/1/00
Date

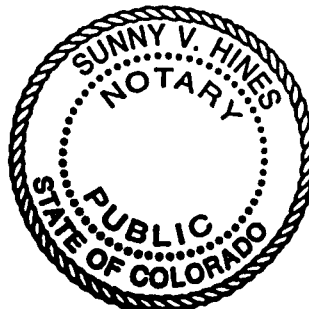
STATE OF Colorado)
) ss:
COUNTY OF Jefferson)

On the 1st day of December, 20 00, personally
appeared before me Rich D. Ziegler who being
by me duly sworn did say that he/she, the said Rich D. Ziegler is
the Exec. Vice President of Cotter Corporation
and duly acknowledged that said instrument was signed on behalf of said company by
authority of its bylaws or a resolution of its board of directors and said
Rich D. Ziegler duly acknowledged to me that said company
executed the same.

My Commission Expires
10/12/2004

My Commission Expires:

Sunny V. Hines
Notary Public
Residing at: Jefferson County Co.



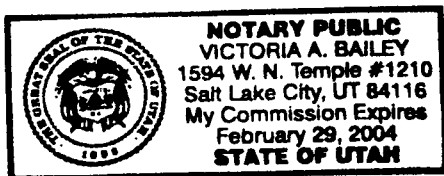
DIVISION OF OIL, GAS AND MINING:

By Lowell P. Braxton
Lowell P. Braxton, Director

1/5/01
Date

STATE OF Utah)
COUNTY OF Salt Lake) ss:

On the 5th day of January, 2001,
personally appeared before me Lowell P. Braxton, who being
duly sworn did say that he/~~she~~, the said Lowell P. Braxton
is the Director of the Division of Oil, Gas and Mining, Department of Natural Resources,
State of Utah, and he/~~she~~ duly acknowledged to me that he/~~she~~ executed the foregoing
document by authority of law on behalf of the State of Utah.



Victoria A. Bailey
Notary Public
Residing at: Salt Lake City, UT

February 29, 2004
My Commission Expires:

Attachment "A"

Cotter Corporation
Operator

Papoose
Mine Name

M-037-084
Permit Number

San Juan County, Utah

The legal description of lands to be disturbed is:

19.84 acres within an area described:

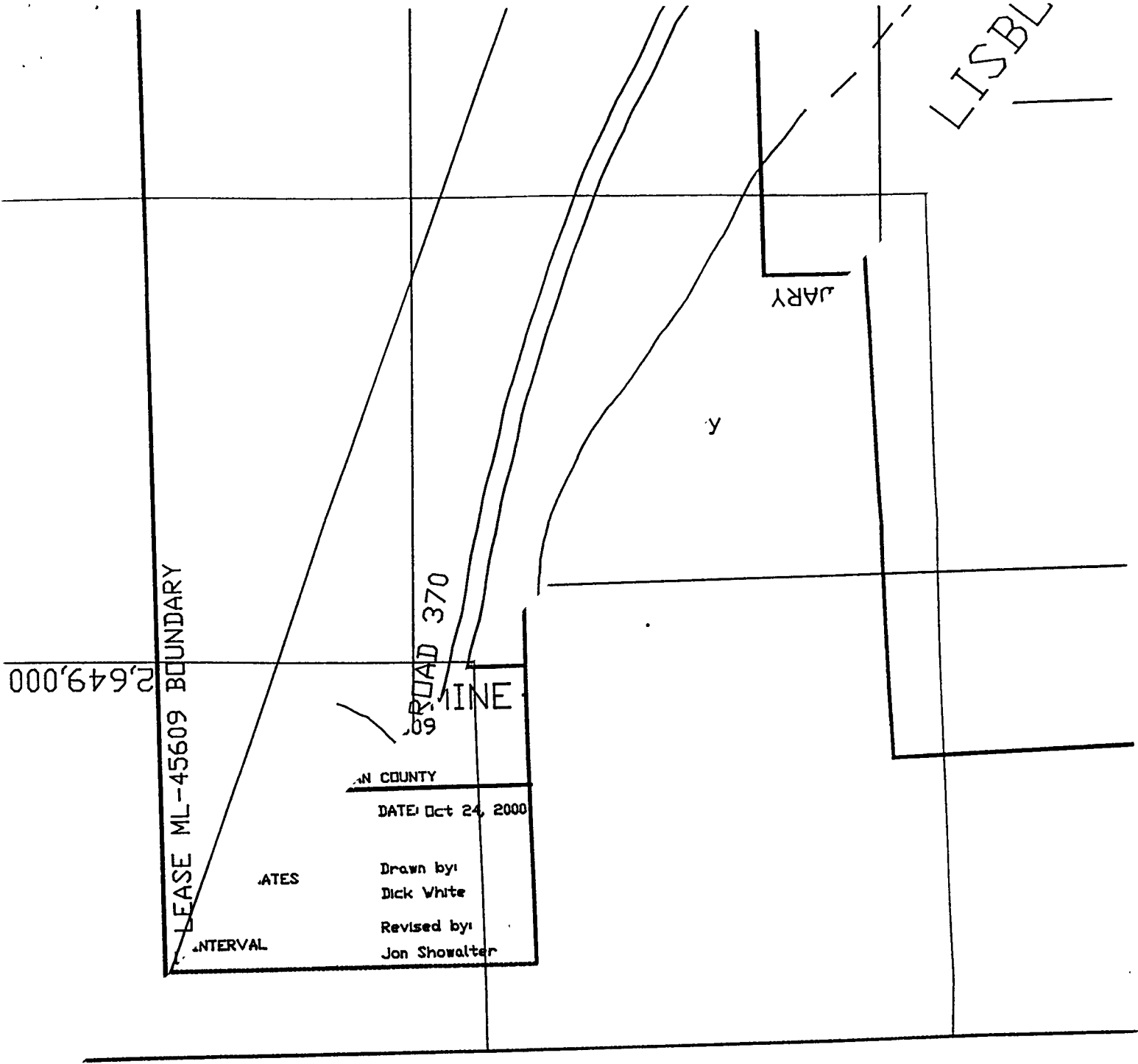
Beginning at a point 1558 feet South 35° East of the Northwest corner of Section 36, Township 29½ South, Range 24 East, Salt Lake Principal Meridian, San Juan County, Utah;

thence 130 feet South 81° East; thence 220 feet South 42° East;
thence 220 feet South 50° West; thence 565 feet South 32° East;
thence 1190 feet South 30° East; thence 490 feet South 59° West;
thence 220 feet North 31° West; thence 730 feet North 27° West;
thence 200 feet North 11° East; thence 190 feet North 32° West;
thence 30 feet North 9° East; thence 310 feet North 30° West;
thence 110 feet North 15° West; thence 120 feet North 50° West;
thence 60 feet North 25° West; thence 70 feet North 36° East;
thence 150 feet North 15° East; thence 165 feet North 36° East;
thence 50 feet North 40° East; thence 23 feet South 35° East,
the place of beginning.

In addition, an access road has been constructed and includes another 0.16 acres falling within an area 10 feet either side of a centerline beginning 1580 feet South 56° East of the Northwest corner of Section 36, Township 29½ South, Range 24 East, Salt Lake Principal Meridian, San Juan County Utah;

thence 140 feet North 80° East; thence 120 feet North 70° East;
thence 90 feet North 52° East; thence 90 feet North 10° East,
where the road connects to San Juan County Road 370.

JS/tlt
limestone.js



LEASE ML-45609 BOUNDARY

2,649,000

ROAD 370

LINE

INTERVAL

ATES

AN COUNTY
DATE: Oct 24, 2000
Drawn by:
Dick White
Revised by:
Jon Showalter

JARY

LISBL

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we COTTER CORPORATION
of 12596 W. Bayaud Ave., Ste. 350, Lakewood, CO 80228 as principal and
AMERICAN HOME ASSURANCE COMPANY as surety, are held and firmly bound
unto the State of Utah in the sum of Fifty four thousand Dollars (\$54,000.00) lawful money of the United States
to be paid to the School & Institutional Trust Lands Administration, as agent for the State of Utah, for the use and benefit
of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described
lease heretofore sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other
mineral deposits of any portion of such lands, for which payment, well and truly to be made, we bind ourselves, and each
of us, and each of our heirs, executors, administrators, successors, sublessees, and assigns, jointly and severally, by
these presents.

Signed with our hands and seals this 18th day of February, 2000

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) Mineral
lease, Lease Number 45609 and dated _____, to Cotter Corporation
as lessee (and said lease has been duly assigned under date of _____
to _____) to drill for, mine, extract, and remove all of the Limestone
deposits in and under the following described lands, to wit:

NW1/4, SW 1/4, N 1/2 NE 1/4, and SW 1/4 SE 1/4, Section 36 T.29 1/2 S., R.24.,
San Juan County, Utah

NOW, THEREFORE, the principal and surety shall be obligated to pay all monies, rentals, royalties, costs of
reclamation, damages to the surface and improvements thereon and any other damages, costs, expenses, penalties, interest
or liabilities which arise by operation of or in connection with the above described lease(s) accruing to the Lessor and
shall fully comply with all other terms and conditions of said lease, the rules, regulations, and policies relating thereto
of the School & Institutional Trust Lands Administration, the Board of Oil, Gas and Mining, and the Division of Oil,
Gas and Mining as they may now exist or may from time to time be modified or amended. This obligation is in effect
even if the principal has conveyed part of its interest to a successor in interest. If the principal fully satisfies the above
described obligations, then the surety's obligation to make payment to the State of Utah is void and of no effect,
otherwise, it shall remain in full force and effect until released by the School & Institutional Trust Lands Administration.

Signed, sealed and delivered
in the presence of

[Signature]
Witness

[Signature]
Witness

COTTER CORPORATION

[Signature] (SEAL)-
Principal

AMERICAN HOME ASSURANCE COMPANY
BONDING COMPANY

BY [Signature]
Vivienne Douglas, Attorney-in-Fact

Attest: [Signature]

APPROVED AS TO FORM:
JAN GRAHAM
ATTORNEY GENERAL

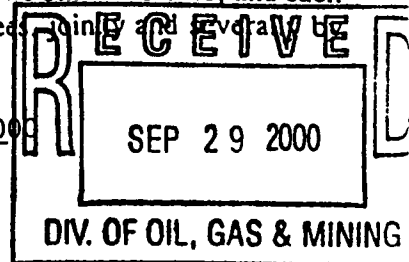
By [Signature]

Resident Agent: [Signature]

Bonding Co. Address: 175 Water Street, 6th floor

New York, New York 10038

Corporate Seal of Bonding Company Must be Affixed.



American Home Assurance Company
National Union Fire Insurance Company of Pittsburgh, Pa.
Principal Bond Office: 175 Water Street, New York, N.Y. 10038

POWER OF ATTORNEY

No.

KNOW ALL MEN BY THESE PRESENTS:

That American Home Assurance Company, a New York corporation, and National Union Fire Insurance Company of Pittsburgh, Pa., a Pennsylvania corporation, does each hereby appoint

---Vivienne Douglas, Raymond A. Leonard, J. M. O'Connell, Kathleen K. Freund: of Denver Colorado---

its true and lawful Attorney(s)-in-Fact, with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. have each executed these presents

this 10th day of September, 1998.



Lawrence W. Carlstrom
Lawrence W. Carlstrom, Senior Vice President
National Union Fire Insurance Company of Pittsburgh, PA.
Vice President, American Home Assurance Company

STATE OF NEW YORK }
COUNTY OF NEW YORK }ss.

On this 10th day of September, 1998 before me came the above named officer of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa., to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seals of said corporations thereto by authority of his office.

Joseph B. Nozzolio
JOSEPH B. NOZZOLIO
Notary Public, State of New York
No. 01-NO4652754
Qualified in Westchester County
Term Expires Jan. 31, 2000

CERTIFICATE

Excerpts of Resolutions adopted by the Boards of Directors of American Home Assurance Company and National Union Fire Insurance Company of Pittsburgh, Pa. on May 18, 1976:

"RESOLVED, that the Chairman of the Board, the President, or any Vice President be, and hereby is, authorized to appoint Attorneys-in-Fact to represent and act for and on behalf of the Company to execute bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, and to attach thereto the corporate seal of the Company, in the transaction of its surety business;

"RESOLVED, that the signatures and attestations of such officers and the seal of the Company may be affixed to any such Power of Attorney or to any certificate relating thereto by facsimile, and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company when so affixed with respect to any bond, undertaking, recognizance or other contract of indemnity or writing obligatory in the nature thereof;

"RESOLVED, that any such Attorney-in-Fact delivering a secretarial certification that the foregoing resolutions still be in effect may insert in such certification the date thereof, said date to be not later than the date of delivery thereof by such Attorney-in-Fact."

I, Elizabeth M. Tuck, Secretary of American Home Assurance Company and of National Union Fire Insurance Company of Pittsburgh, Pa. do hereby certify that the foregoing excerpts of Resolutions adopted by the Boards of Directors of these corporations, and the Powers of Attorney issued pursuant thereto, are true and correct, and that both the Resolutions and the Powers of Attorney are in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of each corporation

this 18th day of February, 2000



Elizabeth M. Tuck
Elizabeth M. Tuck, Secretary



ambest.com

- [Ratings & Analysis](#)
- [News Publications](#)
- [Products & Services](#)
- [Insurance Information](#)
- [About A.M. Best](#)

New Rating
SEARCH

- ☒ Ratings
☐ Company Information

Enter Company Name
or A.M. Best Number

Find

[More Search Options](#)

CONTACT US

Where
in the
world is
A.M. BEST?
[Find our locations](#)

What do
you think?

[Send us your comments](#)

Accessing the pages on ambest.com constitutes the user's agreement to our [terms of use](#); Information collected via this Web site is protected by our [privacy statement](#); Comments or concerns should be directed to our [customer service](#) group; For other matters refer to our [contact us](#) page.

Best's Ratings

P

2 companies found, results sorted by Company Name

Criteria Used: Company Name starting with AMERICAN HOME ASSURA

AMB#	Bus.	Company Name	Rating	D
02034	P	American Home Assurance Company	A++	
86121	P	American Home Assurance Company CAB	A++	C

*Ratings as of 12/11/2000 10:44:42 AM E.S.T.

Business Types:

P = Property/Casualty (non-life)

L = Life/Health

C = Composite/Multi-Industry

View the [Current Guide to Best's Ratings](#) for an in-depth explanation of Best's Ratings System Procedures.

Sort your results using one of the following fields:

Company Name



Company
Name
Business
Type
Country/U.S.
State
Rating
Date
A.M.
Best
Number



Ascending



Descending

Sort